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15 March 1957

## MEMORANDUM FOR THE RECORD

FROM: Chief, Budget Division

SUBJECT: Expansion of Agency Records Center

1. The problem of expansion of the Records Center was discussed informally with Mr. Wilhelm of the Bureau of the Budget on Tuesday, 5 March and again on Thursday, 7 March. Mr. [ ] of the Management Staff attended both of these discussions.

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2. Mr. Wilhelm outlined the Bureau of the Budget policy at both meetings indicating that the Bureau was very reticent to approve any construction in view of the very strong position taken by the President on the subject. He further indicated, however, that, generally, exceptions could be given to this policy in case of security activities.

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3. Mr. [ ] outlined in considerable detail the Records Management Program and the rate of increase in records in the Center. He also outlined the problems of establishing standards in the disposition of intelligence materials. In addition, he stated that standards developed by the General Services Administration and other agencies were followed in connection with the disposition of administrative records, such as records involving personnel, financial operations and so on. It was also pointed out that if approval were not granted for this construction, alternative methods for handling the records would have to be developed, which in time would result in considerable increase in cost to the Government. The reasons for this increased cost would include necessity of providing secure space which was not now available, additional staff to man a separate installation, and ultimate construction of permanent record keeping facilities, probably at a higher unit cost. The problem was also discussed as to the possibility of making a somewhat smaller extension on the present building. The economy of such a move was discussed in detail.

4. Mr. Wilhelm was requested to obtain an informal reaction to our proposal. He was also informed that it was our intent to submit the question formally after the informal reaction if a favorable consideration would be given to the request to go ahead with the construction.

✓ 5. At 5:00 p.m. on Wednesday, 13 March, a telephone call was received from Mr. Wilhelm stating that the question of the construction of the expansion of the Records Center had been considered rather fully within the Bureau of the Budget. He stated further that the Bureau did not have any objection to our proceeding with the construction provided that our plans were not adversely questioned by the Congressional Committees. He further indicated that the

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✓ Bureau did not wish to have a formal submission of the question but desired us to proceed on the basis of the informal clearance. He was assured that we would proceed on this basis and that construction would not be initiated until after the completion of Congressional Hearings on our Fiscal Year 1958 budget.

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